

## Message Text

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FM AMCONSUL STUTTGART

TO SECSTATE WASHDC 2265

INFO USIA WASHDC

AMEMBASSY BONN

UNCLAS STUTTGART 0920

BONN PASS USIS FOR INFO

E.O. 11652: N/A

TAGS: ETRD, GW

SUBJ: STUTTGART ELECTRONIC DIALOGUE WITH PROFESSOR FELLNER,CEA

REF; STUTTGART 0896

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SUMMARY.

WE ARE VERY PLEASED WITH RESULTS THIS ELECTRONIC DIALOGUE (E D), AND APPRECIATE CONTRIBUTION PROFESSOR FELLNER AND SUPPORT BY , USIA WASHINGTON AND USIS BONN IN MAKING IT SUCCESS. THIS OPPORTUNITY TO EXCHANGE VIEWS ON U.S. ANTI-INFLATION PROGRAM WAS MUCH APPRECIATED BY GERMAN PARTICIPANTS. FELLNER ASSURANCES THAT US PROGRAM NOT LIKELY TO HAVE ADVERSE REACTIONS ON GERMAN ECONOMY PLAYED IN LOCAL PRESS COVERAGE OF EVENT.  
END SUMMARY.

1. ELECTRONIC DIALOGUE OCTOBER 23 WENT VERY WELL INDEED. PROF. FELLNER'S VIDEOTAPED REMARKS ON PRESIDENT'S ANTI-INFLATION PROGRAM AND PARTICULARLY HIS TELEPHONE RESPONSES TO WIDE RANGE OF QUESTIONS WERE WELL RECEIVED

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BY AUDIENCE DRAWN FROM LOCAL REPRESENTATIVES OF BUSINESS,

LABOR AND PRESS. PROF. FELLNERS SUBJECT WAS OF INTEREST TO THIS AUDIENCE GIVEN STRONG DESIRE HERE THAT U.S. SET ITS ECONOMIC HOUSE IN ORDER, THEREBY FACILITATING GERMAN EFFORT TO ATTACK OWN SIMILAR ECONOMIC PROBLEMS.

2. REFLECTING THIS CONCERN, QUESTIONS CENTERED ON DEGREE OF DOMESTIC SUPPORT PRESIDENT'S PROGRAM LIKELY GET, AND ON IMPACT IT MIGHT HAVE ON CAPITAL FLOWS, EMPLOYMENT, CONSUMPTION OF ENERGY WITHIN U. S. AND FOREIGN TRADE INCLUDING POSSIBLE EXPORT CONTROLS E.G. ON FERTILIZERS.

3. ON THE POLITICALLY SENSITIVE SUBJECT OF MITBESTIMMUNG (CO-DETERMINATION), PROF. FELLNER AGREED WITH THE POINT MADE BY AMB. EBERLE DURING THE ED OF MARCH 13 (STUTTGART 0890), THAT U.S. INVESTMENT DECISIONS WOULD BE INFLUENCED BY PROFITS ANTICIPATED. PROF. FELLNER ADDED THAT MANAGEMENT WOULD EXPECT TO BE ABLE TO ADMINISTER ITS OPERATIONS IN A RATIONAL MANNER, AND MIGHT BE DETERRED IF LEGISLATION SHOULD PROVE TO BE UNREASONABLE. HE SAID THAT THE QUESTION WHETHER MITBESTIMMUNG WOULD BE IN CONTRADICTION TO THE 1954 FCN TREATY WAS CURRENTLY UNDER LEGAL REVIEW, AND THAT HE HAD NO OFFICIAL OPINION ON THIS.

4. DURING THE RECEPTION HELD BY THE LOCAL CHAMBER OF COMMERCE IMMEDIATELY AFTER THE E.D. SEVERAL PARTICIPANTS AND MEMBERS OF THE AUDIENCE EXPRESSED PLEASURE OVER PROF. FELLNER'S FRANK AND COMPREHENSIVE REPLIES.

OTHERS AGREED THAT HE DEALT WELL WITH THE QUESTIONS THAT WERE ANSWERABLE AND INOFFENSIVELY SKIRTED THE UNANSWERABLE AND HYPOTHETICAL. THIS ED, MOST AGREE, WAS RENDERED MORE EFFECTIVE BY HIS ABILITY TO SPEAK IN GERMAN.

5. STUTTGARTS TWO LEADING DAILIES REPORTED THE EVENT ON OCTOBER 24. UNDER THE CAPTION NO DAMAGE TO OTHER COUNTRIES THE STUTTGARTER ZEITUNG NOTED PROF. FELLNERS EXPLANATION OF THE ANTI-INFLATION PROGRAM AS MODERATE ( NO SHOCK TREATMENT, NO OVERKILL ) AND HIS ASSURANCES THAT THE USG DID NOT INTEND TO LIMIT IMPORTS OR ESTABLISH EXPORT

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CONTROLS. THE STUTTGARTER NACHRICHTEN ( US DOESN T ENDANGER GERMAN ECONOMY ) REPORTED THAT FELLNER HAD SAID THAT U. S. INVESTMENT IN GERMANY WOULD NOT BE DISTURBED BY 'MITBESTIMMUNG' PLANS, AND THAT INVESTMENT WOULD BE RESTRICTED ONLY IF THE OUTLOOK FOR PROFITS WERE CLOUDED BY 'UNREASONABLE REGULATIONS.'" JENKINS

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## Message Attributes

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**TAGS:** ETRD, GE, (FELLNER)  
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